

# Exhibit D

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October 10, 2022

**VIA EMAIL TRANSMISSION**

Mr. John S. Balestriere  
Balestriere Fariello  
225 Broadway, 29<sup>th</sup> Fl  
New York, NY 10007

RE: Hubbard, et al v. Crowe, et al. - Proposed Complaint  
My Client: Paul Pendergrass

Dear Mr. Balestriere:

I have been retained by Paul Pendergrass to respond to your October 4, 2022 demand letter and proposed civil complaint (the "Complaint") alleging violations of the Trafficking Victims Protection Act and Racketeer Influenced and Corrupt Organizations Act.

Mr. Pendergrass was taken completely aback by the allegations against him in the Complaint and vehemently denies ever having been involved in, or attending, any of the "Forced Sex Parties" you referenced, much less any parties of any kind being hosted by Rick Hubbard or attended by either of your two clients. Mr. Pendergrass' only involvement with Mr. Hubbard was as a lender to Mr. Hubbard's company, Ecoloft Homes, LLC, primarily for the renovation and remodeling of two properties: primarily the one located at 501 Havana St., Austin, TX 78704 (the "Havana Project"), with some funds going to the renovation and remodeling of a residence located at 1605 Grayford Dr., Austin, Texas 78704 (the "Grayford Project"), loans that were rendered worthless when the properties were foreclosed on by Loan Ranger Capital, the lender providing institutional capital for the projects.

Mr. Pendergrass additionally states he has never even met Ms. Hubbard (though he knew of her because he was aware that Mr. Hubbard was going through a divorce with her) and only met Ms. Goedinghaus on five or six occasions while she and Mr. Hubbard were living together: two or three times at the Havana Project, once at an Air B&B where she and Mr. Hubbard were staying in Austin and one or two times at the Austin Beer Garden and Brewing Company (he believes), or similar restaurant/brewery in Austin. Further, Mr. Pendergrass never witnessed or participated in any sex acts involving either Ms. Hubbard or Ms. Goedinghaus and has never viewed or received any sexually explicit images of either of them from any source. Additionally, of the twenty-two other individual defendants named in the Complaint, other than Mr. Hubbard, the only one Mr. Pendergrass ever even met is Ralph Rogers, who he met on two or three occasions while in Austin to monitor the progress of the Havana Project.

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In addition to not being involved in any illegal acts himself, Mr. Pendergrass has no knowledge of any of the illegal acts allegedly committed by any of the other proposed Defendants referenced in the Complaint, either before or after the acts allegedly occurred. As such, Mr. Pendergrass will strongly defend himself against any allegations in a Complaint naming him as a Defendant and will file appropriate motions to dismiss under Rule 12(b)(6) of the Federal Rules of Civil Procedure and for sanctions under Rule 11(c).

To the extent any of the allegations in the Complaint are true, Mr. Pendergrass is very sorry for the pain and injuries your clients suffered at the hands of any of the other named Defendants, but he can be of no help in the prosecution of such claims, either as a Defendant or as a witness, having no knowledge of relevant facts either before or after they allegedly occurred.

In short, Mr. Pendergrass is nothing more than a victim of a poor investment decision he made in becoming a lender to Ecoloft Homes, LLC and Mr. Hubbard, whom he originally met in April, 2018, through Investor Underground, an Austin real estate investor Facebook Group and whom he met for the first time in person in June, 2018. As such, I would urge you not to include Mr. Pendergrass as a Defendant in any action you choose to file, but I would be happy to discuss any remaining concerns you have with regard to my client as you weigh options on how you wish to proceed.

Very truly yours,



John S. Cossum

JSC/da